

PHARMACY *update*

Manitoba Edition

JULY 2019

UPDATE ON GSC'S VALUE-BASED PHARMACY INITIATIVE

In 2017 Green Shield Canada (GSC) launched the Value-based Pharmacy initiative with the goal of improving care for our plan members through collaboration with community pharmacies. Phases one and two of the initiative are now complete and live, and we're actively working on phase three.

To remind our readers, in phase one of the Value-based Pharmacy initiative, we started measuring pharmacy performance, assessing it against a set of validated metrics (created by pharmacists), and sharing that information with pharmacies. In phase two, we started calculating a star rating or overall score for each store, called the Pharmacy Quality Rating, which was made available to GSC plan members as an additional piece of information to consider when making a choice of pharmacy. Phase three will tie the Pharmacy Quality Rating to pharmacy reimbursement.

We continue to work with the pharmacy community – including the Canadian Pharmacists Association and the Neighbourhood Pharmacy Association of Canada – to develop the reimbursement framework which will be implemented in July 2020. The working group has brought forward six recommendations of which four can be directly addressed, and we are currently working towards their implementation. The remaining two recommendations are still being investigated for implementation feasibility. In addition, individual pharmacies that have gained experience working directly with the EQuIPP platform have provided additional recommendations, some of which have already been implemented while others are actively under review.

There has been a fair amount of discussion in the pharmacy community about this next phase. We will reiterate that with the Value-based Pharmacy Initiative, GSC's goal is to minimize variation in pharmacy practice and improve quality of care across Canada; it's not designed as a cost containment initiative. It will be revenue neutral for the pharmacy industry and employers/plan sponsors. Through phase three's reimbursement framework, a pool will be created to redistribute reimbursement from lower-performing pharmacies to higher-performing ones; in this way, we will provide payment based on the level and quality of care provided. The new reimbursement structure will apply only to pharmacies that have earned a Pharmacy Quality Rating – about a third of all pharmacies in Canada – while pharmacies that don't qualify for an overall rating will not see any change in the structure of their reimbursement.

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REIMBURSEMENT IN MANITOBA

GSC has received a number of inquiries from Manitoba community pharmacies around our reimbursement model. Please note that unlike the Manitoba provincial reimbursement model which is based around dispensing fees, the GSC model contains a combination of dispensing fees and markups, according to the following formula:

$$\text{Manufacturer list price (MLP) + markup + professional fee}$$

GSC reimburses up to the following markups:

	Brand	Generic
Markup	15% of MLP	10% of MLP

GSC will pay a professional fee for the dispensing of each prescription. The professional fee reimbursed by GSC varies by the duration of supply provided as shown below.

	Customary supply	Vacation supply (up to a maximum of 183 days)		
Days' supply	Up to 100 days	101-120 days	121-150 days	151-183 days
Number of dispensing fee(s) allowed	1 fee	1½ fees	1½ fees	2 fees
Maximum allowable dispensing fee	\$11.99	\$15.99	\$19.98	\$23.98

Any claims submitted in excess of the allowed amounts will not be permitted. These reimbursement guidelines still apply when the claim is already processed for payment by another private plan and is being coordinated with GSC as secondary payor (when paying the difference, GSC will pay only to the allowed amount of the drug).